

§ 58-57-5. Definitions.

As used in this Article, unless the context requires otherwise, the following words or terms shall have the meanings herein ascribed to them, respectively:

- (1) Repealed by Session Laws 1991, c. 720, s. 6.
- (2) "Credit accident and health insurance" means insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction as defined in G.S. 58-51-100, with or without insurance against death by accident.
- (2a) "Credit insurance agent" means an agent of an insurance company licensed in this State who is authorized to solicit, negotiate or effect credit life insurance, credit accident and health insurance, credit unemployment insurance, credit property insurance, or any of them, but only to the extent as is authorized and limited in this Article.
- (3) "Credit life insurance" means insurance on the life of a debtor pursuant to or in connection with a specific loan or other credit transaction as defined in G.S. 58-58-10.
- (4) Recodified as G.S. § 58-57-5(2a) (See Note.)
- (4a) "Credit transaction" means any transaction by the terms of which the repayment of money loaned or loan commitment made, or payment for goods, services, or properties sold or leased, is to be made at a future date or dates.
- (4b) "Credit unemployment insurance" means insurance on a debtor in connection with a specified loan or other credit transaction to provide payment to a creditor of the debtor for the installment payments or other periodic payment becoming due while the debtor is involuntarily unemployed as defined in the policy.
- (5) "Creditor" means any lender of money or vendor or lessor of goods, services, property, rights or privileges, including any person that directly or indirectly provides credit in connection with any such sale or lease, for which payment is arranged through a credit-related transaction; or any successor to the right, title or interest of any such lender, vendor, lessor, or person extending credit, and an affiliate, associate, or subsidiary of any of them, or any director, officer, or employee of any of them or any other person in any way associated with any of them.
- (5a) "Critical period conversion ratio" means the ratio of the benefit value of the critical period divided by the benefit value of the full term.
- (5b) "Critical period coverage" means insurance coverage for which benefits are limited to a stated number of payments or the payments end with the expiration of the policy, whichever is less.
- (6) "Debtor" means a borrower of money or a purchaser or lessee of goods, services, property, rights or privileges for which payment is arranged through a credit transaction.
- (6a) "Family leave credit insurance" means insurance on a debtor in connection with a specified loan or other credit transaction to provide payment to a creditor of the debtor for the installment payments or other periodic payments becoming due when the debtor suffers a loss of income because of a voluntary, employer-approved leave of absence for qualifying events specified in G.S. 58-57-115(d).

- (7) "Indebtedness" means the total amount payable for the term of the loan by debtor to creditor in connection with a loan or other credit transaction, including principal, interest, allowable charges, and any premiums authorized hereunder.
- (7a) "Joint accident and health coverage" means credit accident and health insurance covering two or more debtors; provided that only one monthly benefit, as defined in G.S. 58-57-15(b), shall be payable each month on a specific indebtedness regardless of the number of debtors insured.
- (8) "Joint life coverage" means credit life insurance covering two or more lives, the entire amount of insurance being payable upon the death of the first insured debtor to die.
- (9) "Lease" means a contract whereby the lessee of a "motor vehicle," as defined in G.S. 20-4.01(23), contracts to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the property, but not exceeding the term of years in G.S. 58-57-1.
- (10) "Open-end credit" means credit extended by a creditor under an agreement in which:
- a. The creditor reasonably contemplates repeated transactions;
 - b. The creditor imposes a finance charge from time to time on an outstanding unpaid balance; and
 - c. The amount of credit that may be extended to the debtor during the term of the agreement (up to any limit set by the creditor) is generally made available to the extent that any outstanding balance is repaid.
- "Open-end credit" includes credit card balances.
- (11) "Truncated coverage" means a credit insurance benefit with a term of insurance coverage that is less than the term of the credit transaction. (1975, c. 660, s. 1; 1987, c. 826, ss. 2, 3; 1991, c. 720, s. 6; 1993, c. 226, s. 2; 1995, c. 193, s. 45; c. 208, s. 1; 1999-351, s. 5.3; 2005-181, s. 1; 2007-298, s. 6.1; 2007-484, s. 43.5.)